



DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
9275 GUNSTON ROAD, SUITE 2100
FORT BELVOIR, VA 22060-5546

July 24, 2013

REPLY TO
ATTENTION OF

Contract and Fiscal Law Division
Procurement Fraud Branch

**CERTIFIED MAIL
RETURN RECEIPT
REQUESTED**

Mr. Vishnampet S. Jayanthinathan

Dear Mr. Jayanthinathan:

This letter serves as a binding agreement between Vishnampet S. Jayanthinathan ("Jay Nathan") and United States Army (Army) that Mr. Nathan will not engage in nor seek to engage in Government contracting for **the next two years, effective from June 10, 2013.** In particular, Mr. Nathan will not seek to do business with any executive agency of the U.S. Government in the form of contract bids and/or contract awards. Mr. Nathan will not in his personal capacity, and/or through any company in which he is either an employee of or is associated or affiliated with in a managerial position or has any decision making authority, engage in or seek to engage in Government contracting.

On January 6, 2012, Engineering Systems Solutions, Inc. (ESS), as a Federal Government contractor and ESS' owner, Mr. Nathan entered into a settlement agreement with the Department of Justice (DoJ) and the United States Attorney's Office for the District of Maryland and on behalf of the Army concerning the circumstances underlying the investigation that surrounds the *qui tam* case of *U.S. ex rel. Belak v. Engineering Systems Solutions, Inc. and Vishnampet S. Jayanthinathan*. According to the complaint and subsequent settlement agreement, ESS and Mr. Nathan were alleged to have engaged in overbilling the Army for work performed by ESS employees who did not meet the qualifications for labor rates billed to the Government. ESS was the subcontractor for DRS Technologies Inc, the prime contractor, who was awarded Army Communications-Electronics Command (CECOM) Rapid Response contracts. ESS supplied the Army with mobile communications systems that it designed, integrated and assembled. Per the settlement agreement, ESS employees are alleged to have knowingly submitted false claims for payment under the contract.

On January 29, 2012, this office, the Army Procurement Fraud Branch (Army), sent a show cause letter in light of the settlement agreement between ESS, Mr. Nathan and DoJ. ESS was to pay \$607,000.00 over a three-year period with the final payment scheduled in 2015. Mr. Nathan was required to pay \$95,000.00 of which he paid on February 1, 2012.

Since that time, ESS and Mr. Nathan through counsel, have met with the Suspension and Debarment Official (SDO) and have submitted various written materials as to the nature of the allegations as well as to the operating status of ESS and Mr. Nathan. The Army acknowledges

that prior to the execution of this Agreement, ESS and Mr. Nathan took several measures in an effort to re-establish itself as a responsible contractor. Such measures include hiring a new Chief Operating Officer to help navigate and improve ESS' government contracts portfolio and procurement efforts, requesting Jay Nathan's [REDACTED] to take a leave of absence from his finance career in Wall Street (with [REDACTED]) to assist in restructuring ESS and to manage the corporate finances. In addition, ESS terminated the employees who were not adding value or whose conduct was detrimental to ESS as well as implementing new financial control, checks and balances to provide greater oversight over ESS financial, billing and accounting systems. An ESS Employee Handbook was developed for all employees along with mandatory ethics training on ESS policies and the Procurement Integrity Act was finalized at the end of 2009 and instituted in January 2010.

Due to Mr. Nathan's health concerns, ESS has decided to sell the company and all of its assets. As of April 4, 2012, ESS entered into a Letter of Intent with [REDACTED] and as of August 12, 2012, [REDACTED] has purchased ESS and all of its assets. ESS has represented that it will no longer participate in government contracting and Mr. Nathan will retire and also no longer be involved with government procurement activities.

As such, if Mr. Nathan contemplates entering into Government contracts, Mr. Nathan agrees to and is required to contact the Army Procurement Fraud Branch immediately. Any questions or concerns can be directed by Mr. Nathan to U.S. Army Legal Services Agency, Procurement Fraud Branch, ATTN: Ms. [REDACTED], 9275 Gunston Road, Suite 2100 Fort Belvoir, Virginia 22060- 5546.



Vishnampet S. Jayanthinathan
("Jay Nathan")

24 July 2013
DATE



Michael J. Meisel
Army Suspension and Debarment Official

24 July 2013
DATE